

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

NORTH CASCADES BANK, DIVISION
OF GLACIER BANK,

Plaintiff,

v.

M/Y THERAPY, et al.,

Defendants.

Case No. C22-1860-RSM

ORDER TO SHOW CAUSE

This matter comes before the Court *sua sponte* and in response to Defendant Eric Thomas filing a Notice of Filing Bankruptcy on May 18, 2023. Dkt. #22.

This case was originally filed on December 30, 2022, by Plaintiff North Cascades Bank, Division of Glacier Bank (“North Cascades”). Dkt. #1. North Cascades granted a loan to Defendant, which is allegedly secured by a preferred mortgage upon the U.S. documented motor yacht THERAPY, Official No. 1128525 (the “Vessel”). *Id.* ¶ 1. In its Complaint, North Cascade claims that Defendant has defaulted upon the loan. *Id.* North Cascades thus brings this action against the Vessel and its appurtenances to foreclose its preferred mortgage upon the Vessel, and against Defendant, *in personam*, for any deficiency judgment after application of any recoveries from the sale of the Vessel herein. *Id.* On December 30, 2022, Magistrate Judge Brian A.

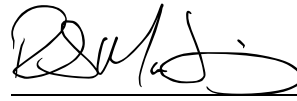
1 Tsuchida issued an Order Authorizing Issuance of Warrant for Arrest of Vessel. Dkt. #8. On
2 January 23, 2023, the Vessel was arrested by the U.S. Marshal. Dkt. #16 at 3. Notice of Arrest
3 was duly published in the Daily Journal of Commerce on March 2, 2023. Dkt. #12–12.1. The
4 Notice of Arrest advised that anyone intending to make claim to the defendant vessel pursuant to
5 Supplemental Rule C(6)(a) of the Federal Rules of Civil Procedure must file their claim with the
6 clerk of the above-entitled court within fourteen (14) days after the date of first publication of
7 the Notice of Arrest, and must file and serve their answers to the complaint within twenty one
8 (21) days after filing of their claims; and that otherwise default would be noted and condemnation
9 ordered. *Id.*

11 After more than 35 days had passed since the Publication of the Notice of Arrest and no
12 person or entity filed any verified claim of interest to the defendant vessel as required by
13 Supplemental Rule C(6)(a), North Cascades filed Motions for Default Judgment *in rem*,
14 Summary Judgment, and for Order Foreclosing Preferred Mortgage and For Sale of Vessel. Dkt.
15 #16.
16

17 On May 18, 2023, Defendant filed a Notice of Filing Bankruptcy indicating Defendant
18 has filed for Chapter 7 bankruptcy. Dkt. #22.
19

20 In light of Defendant filing for Chapter 7 bankruptcy, the Court finds and ORDERS that
21 **within seven (7) days of this Order** Plaintiff may show cause: why North Cascades' Motions
22 for Default Judgment *in rem*, Summary Judgment, and for Order Foreclosing Preferred Mortgage
23 and For Sale of Vessel (Dkt. #16) should not be stayed pending Defendant's bankruptcy. Any
24 response to this Order shall be **limited to five double-spaced pages**. If the Court does not receive
25 a response, the Motions (Dkt. #16) will be stayed and Plaintiff may refile the Motions within
26 fourteen (14) days of the conclusion of Defendant's bankruptcy proceedings.
27
28

DATED this 23rd day of May, 2023.

A handwritten signature in black ink, appearing to read 'R. Martinez', is written over a horizontal line.

RICARDO S. MARTINEZ
UNITED STATES DISTRICT JUDGE